



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
General Secretary and
Secretary of the Board of Directors
TELEFÓNICA, S.A.

TELEFÓNICA, S.A., as provided in article 82 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby announces the following:

On March 3rd, 2008, and in compliance with the conditions stated in the Prospectus for the Debentures Issue “March 1998” (ISIN code number ES0278430923), registered with the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) on February 3rd, 1998, the 7,000,000 debentures of the issue will be totally redeemed through the repayment of the 100% of their nominal value of Euros 60.10 each.

Madrid, February 4th, 2008

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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